

## Section 7. Program Income

Program income includes **interest earned on start-up funds** and proceeds and interest from the **sale of equipment and non-consumable items purchased with start-up funds**.

When program income is earned during the contract period, the Contractor will report income earned to the OSR State Office on the quarterly start-up report. **Since start-up funds are restricted funds**, income from these funds must be used only for allowable start-up fund purchases as indicated in Section 3. These funds must be expended during the SFY in which they were earned. **They may not be carried forward to the next SFY.**

A Contractor should also have program income policies and procedures in place that would be applicable to subcontractors.

Refund of unspent earned income: See Section 11 – Refund